HUMAN EVENTS

FRANK C. HANIGHEN, *Editor* — *Contributing Editors:* FRANK CHODOROV, WILLIS J. BALLINGER

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On The Foreign Chess Board: Biggest news development of the last ten days — talk of insiders here about Winston Churchill's switch from appeasement of Russia to an apparent belligerent resistance. That is believed to be the meaning of his sensational speech this week, in which he said (1) the U.S. was way ahead in H-Bombs and ability to deliver them; (2) could knock out Russia; and (3) could keep this lead for a period of from two to four years. Air Force sources confirm the accuracy of this statement.

Other evidence of such a Churchillian somersault comes from private advices. The British premier told an American publisher a fortnight ago that if the Chinese Reds sought to take Formosa, the U.S. Navy and Air Force could decisively defeat them. In his bluff vernacular he said: "All the Reds would get would be a belly-full of salt water." Also, while Churchill had formerly thought he could arrive at a deal with Malenkov, now he reportedly doubts that anything can be done with Malenkov's successor, Khrushchev. The Briton places no weight on Zhukov as a mediative force.

In And Around The White House: Much repetition of the words, "Ike will run again." Actually, no one knows positively. Those who utter these words are among those who are privately most dubious. They feel he's necessary for a GOP victory in '56. Therefore, they seek to build up what they hope will be "irresistible pressure" on the President. Their fear is that Eisenhower, like any normal man, may hesitate at the age of 65 to continue to bear a crushing burden, which could shorten his days of life. Who wouldn't? — they ask themselves, and start worrying again.

A local physician, attending a White House social function, watched the President and came away with a guess: "Not, of course, really ill, but there's something the matter with him." Some around the White House ponder the often-mentioned Eisenhower psychology — the desire to be a President of both parties, with none of the aggravating (to him) troubles with political leaders, like Rayburn and Knowland. Altercations like that with Speaker Rayburn last week are not at all to the President's liking. At such times — so speculation runs — he must think longingly of the new house in southern Pennsylvania, a nice spot for retirement. There (like General Marshall in nearby Leesburg, Va.) he could easily keep in touch with the Capital, and play the role of Elder Statesman. What mortal man would not prefer such a prospect? Such are the doubts that privately afflict many of those who publicly intone, "Ike will run again."

In The Formosa Strait: More and more, realistic observers speak of the likelihood of a Red Chinese all-out attack on Quemoy and Matsu in a month or six weeks. The Reds, it is feared, do not believe the U.S. Navy and Air Force will step in to break it up. Pentagon circles say that our forces will intervene, for sure. Reason for the Red attitude: the speeches of Senators Wayne Morse and Humphrey against U.S. defense of these islands, plus Dulles' confusing hugger-mugger. Actually, the clinching fact is that for six years, the Chinese Reds have made no move whatsoever to take these places — they don't have to have them, except as steppingstones to assault Formosa itself. Unless the U.S. will make its intention to defend Quemoy and Matsu crystal clear, it is believed that the Reds will for sure attack.

Knowland: The GOP leader in the Senate spectacularly "unleashed" himself two days ago on the subject of the 11 American fliers held prisoner by Red China. Dulles and the UN have failed to accomplish anything so far for their release. Next, the California Senator will make an important speech soon urging the repudiation of the Yalta agreement, recalling Republican pledges in the 1952 election.

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Stock Market Probe: Our Wall Street correspondent took a look at the Fulbright Committee's hearing on the stock market. Here are his observations:

Senators got off to a cautious start this week, with the trading community, represented by the New York and American stock exchanges, the first batters up. This has not been the longest or the steepest bull-market rise of stock prices since the 1920's; but it has been the first one since 1932 to result in Senate hearings.

Some political wiseacres here think that maybe Sen. Fulbright was too hasty in starting his probe. The "show" has political possibilities which might prove less favorable than the Arkansas Senator desires. That may be why, ever since the first announcement of the hearings, Fulbright's statements had been very soothing and quieting. The hearings would be a "study," not an "investigation," was the Senator's reassurance. He "had no suspicions;" "no axe to grind." On the eve of the hearings he reported that most respondents to the Senate questionnaire saw "no danger in present market levels." Clearly, the Senator doesn't want to rock Wall Street's boat.

Some reasons why this is true are not hard to conceive. Suppose the 17-months-old bull market decides to take a deep breather during the present "study." Couldn't the Republicans then charge that it was the Democratic hearings which scared investors and brought about the shrinkage in market values, with economic repercussions?

Or suppose that no such thing happens and the Senate committee reports that there is nothing wrong with the market. Might not that be taken by the market as a sign to bull it up more and make the ultimate correction more drastic? If so, won't Republicans thereupon blame the Democrats? Then again, if Fulbright finds that the Federal Reserve Board was at fault in not exercising more control, won't he be criticizing mostly FDR-Truman appointees? Or, if he blames Treasury easy credit policies, where does that leave the Democrats who have screamed about too-hard money rates?

Putting Opposition on Defensive: The President gave powerful reasons for his opposition to what is generally termed the "shabby" political trick, the Rayburn-$20-per-person tax cut; but his White House aides — always soft toward Democrats — failed to pass him the hand grenade tossed so often with so much gusto by FDR and HST: "You want to cut taxes? Well, then, I challenge you to cut expenses by the two billions your tax cut will reduce revenues. Put up or shut up."

This is merely the latest example of poor GOP judgment on tax matters — note the inept handling of corporation income and excess profits taxes.

When the Truman Administration, after the Korean War began, proposed the excess profits tax and the 52 percent corporation income tax, there were sharp protests. The excess profits tax would encourage waste rather than the economical use of human and natural resources that is the secret of a productive system. The corporate income tax was still at the World War II high of 38 percent; the remaining 62 percent, when distributed in dividends, was subject to individual income tax rates of from 20 percent to 91 percent. Our "progressive" income tax was meeting the Marxist specifications for the gradual confiscation of private property.

However, the Truman Administration promised that the proposed taxes would be temporary. The excess profits tax would *automatically* expire June 30, 1953; the 52 percent corporation income tax would *automatically* drop to 47 percent on April 1, 1954 — which would still leave it 9 percentage points higher than World War II high. (Certain excise taxes would also be terminated on the same date.)

If those automatic provisions had been allowed to take effect, the Republicans could have answered the charge of "tax favoritism to business" by shrugging their shoulders: "That wasn't our doing. Blame it on Mr. Truman."

However, two factors intervened. First, the Eisenhower Administration felt it could not immediately make the drastic budget cuts necessary to offset the loss in tax revenue.

Second, Republican members of Congress came into office obsessed with the notion that they had to get credit for all tax cuts. One GOP fund solicitation baldly asked for "10 percent of your tax savings."

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(A "planted" New Deal employee reportedly sent the letter to the Democrats who have used it effectively ever since.)

Consequently, the two tax measures were extended for another year. When the Republicans got around a year late to the termination of the excess profits tax, they were unable to forestall the New Deal charge that "The GOP is the Party of Big Business."

And "The Party of the Rich" still has not been able to drop the 52 percent normal corporation tax to the 47 percent rate set by Mr. Truman, "the Friend of the Poor."

Education Front: Opponents of Federal Aid to Education in the Capital have found some ammunition in the remarkable news story which appeared on the front page of the *New York Times*, February 25 (remarkable in that it was published by that paper, whose pieces on education have not been noted for viewpoints unfavorable to Federal Aid to Education.) According to the *Times* Washington bureau, a secret report, apparently approved by the United States Commissioner of Education, asserts that Federal money for school construction is "not necessary." The report says: "We have been unable to find a state which cannot afford to make more money available to its schools or which is economically unable to support an adequate school system."

The report also recommended that the Government abandon its school luncheon program and withdraw most of its contributions to vocational education. This report, it appears, was prepared by a 15-man subcommittee of the President's Commission on Inter-Governmental Relations; the subcommittee is headed by Dr. Adam S. Bennion of Salt Lake City. Bennion's panel included Dr. Samuel W. Brownell, Federal Commissioner of Education and former Governor Driscoll of New Jersey.

The Inter-Governmental Relations Commission has the mission to recommend "whether there is justification for Federal aid in the various fields in which Federal aid is extended," to states and communities.

Harlan Hearings: Hearings on the nomination of Judge Harlan to the high court are now concluded and a vote will be taken next week when Senator Langer returns from pressing business in his State. As the hearings progressed the defection of certain Senators, counted on to firmly oppose the Atlantic Union Committee internationalism represented by the nominee, became apparent. It looked like the suave and cultured Harlan would breeze by the Committee, until Senator Eastland announced he would oppose the nomination to the finish. Eastland's defiance immediately rallied the dispirited anti-world government forces who are striving to block the Harlan nomination. Information on what was said in the hearings is filtering out (the press was barred from them) and it reinforces fears that Harlan's confirmation would provide a majority on the Supreme Court who would judicially hold that the UN Charter controls domestic law in the U.S.

Harlan's chief defense displayed a naivete which had informed spectators gasping. He insisted that the Atlantic Union Committee (Harlan has been on its National Advisory Council since 1952) was only an instrumentality "trying to bring about collective action in defense against Communism" and that his understanding was that there was nothing in the Committee's objectives which "affect the sovereignty of the U.S. as a sovereign nation of the world." This was too much for Senator Jenner who quoted former Justice Owen Roberts (President of the Atlantic Union Committee) that the Committee's proposal of a union between the U.S. and Western European nations "*must be built on a common citizenship.*" Harlan squirmed visibly.

Quizzed on his view about the Bricker amendment, Judge Harlan said that he had been too busy with his law business to know what it was all about. The Bricker amendment has been before the people since 1951, has been overwhelmingly ratified by the American Bar Association's House of Delegates three times (Harlan is a member of the American Bar Association), and the Judge's plea of ignorance caused the lifting of eyebrows.

Senators pointed out to Harlan that his appointment was not just a matter of legal competence but involved his legal philosophy as well, because at the present time the high court appeared to be divided

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evenly on the issue of whether the UN Charter (a treaty) controlled domestic law in the U.S. The Judge was asked whether a treaty could — as Secretary Dulles said it could in 1952 — destroy the Constitution and the Bill of Rights. He refused to answer on the ground that it would not be proper to answer such a question. Time and again he was asked the same question in varying forms, but steadfastly Harlan declined to disclose his legal philosophy on this vital point.

One witness for the Judge has inspired no little interest — Judge Joseph Proskauer, Chairman of the New York Crime Commission, on which Harlan served as Counsel. Proskauer was enthusiastic in his praise of Harlan's qualifications for the high court, and Harlan was warm in his admiration for Proskauer before the Senate Committee. The record shows that in 1948 Judge Proskauer, Dr. Philip Jessup and Alger Hiss filed a brief (*amicus curiae* — as a friend of the court) in a case involving a restrictive covenant which came before the high court. Their brief sought to have the covenant declared illegal, on the interesting ground that it violated the UN Charter, i.e., that the UN Charter controlled domestic law in the U.S.

New Organization: On February 28, soon after the hammer blows — delivered by Senators Knowland and Malone — against the United Nations, a new body to reform our foreign policy was launched. Its manifesto, headed "A Program to Govern Our Foreign Relations," appeared as a full-page advertisement on February 28, in the *New York Times* and the *Washington Post.* It is couched in dignified and careful language and to it are appended the names of sixty-three signers, representing both major parties and various businesses and professions.

Among these "endorsers" are former Secretary of the Treasury John M. Snyder; Representatives Ralph Gwinn and Lawrence Smith; former Governor of New Jersey Charles Edison; former U.S. Ambassador to Poland Arthur Bliss Lane; hotel man Conrad Hilton; former Generals A. C. Wedemeyer, Bonner Fellers, Charles A. Willoughby and George E. Stratemeyer; radio broadcaster Frank Kirkpatrick; publishers Manchester Boddy, Basil Brewer and Devin Garrity; Professors Kenneth Colegrove and E. Merrill Root; and other distinguished names.

The group offers an 11-point program, including the following: return to the policy of George Washington, recommended in his Farewell Address; exterminate the Communist conspiracy in the U.S.; withdraw recognition from the Soviet Union and its satellites; amend our Constitution to provide that neither the UN Charter nor treaties, nor covenants, shall supersede it; base American foreign policy "solidly on Moral Law, Patriotism, Enlightened Nationalism and the Teachings of Christ."

The organization is called the Committee of Endorsers, Edward A. Fitzpatrick, Secretary; Woodward Building, 15th and H Streets, N.W., Washington 5, D. C. Those who approve of the declaration are urged to write to the Secretary for extra copies, and to put the advertisement in their local papers.

Between Covers: *The Freeman* (Irvington-on-Hudson, N. Y.) devotes its March issue to "One Worldism and the United Nations." The number offers devastating analyses of various aspects of the international organization and provides a reliable compendium of critical information on the history and performance of that body. *The Freeman* is edited by Frank Chodorov, now a contributing editor of HUMAN EVENTS.

● Frank E. Holman, past President of the American Bar Association, has brought up to date his ideas on the Bricker amendment, in a pamphlet entitled, "The Increasing Need For a Constitutional Amendment on Treaties and Executive Agreements." Published by Frank E. Holman, Hoge Building, Seattle, Washington.

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WHAT PRICE AUTOMATION?

By BENJAMIN F. FAIRLESS

THERE IS NOTHING NEW, of course, about man's fear of machines. Nearly three centuries ago, an inventor in Danzig built a loom that could weave six webs at once. The workers seized the hapless inventor and drowned him in a nearby creek.

At the outset of the so-called Industrial Revolution in England, mobs of angry workers broke into the mills and tried to destroy the new automatic machinery which they feared would leave them jobless.

Today we know that it was the machine alone which enabled England to support her rapidly-growing population and provide it with a rising standard of living. In countries like India and China, where mechanization did not occur, the standard of living fell far below subsistence levels and the population was decimated by starvation and disease.

Twenty-five years ago, similar fears of the machine were widely prevalent here in the United States. A popular Broadway play of that period "R.U.R." brought the word "robot" into our language.

Today, the same old blind unreasoning fear of machines is reappearing among us; but we are being frightened — not by the advance of technology itself — but by a strange new word: automation.

The Public Opinion Index took a poll among more than a thousand factory workers, and asked them two questions: First, did they favor the use of more new and "improved" machines. They did, by about three to one. Then they were asked how they felt about more "automation." But they opposed that, three to two!

Yet the two things, of course, are really identical. There is nothing new about automation. The mechanics of it are older than our own American Republic.

Back in 1784 — before our Constitutional Government was established — a man named Oliver Evans, living near Philadelphia, built a flour mill about as automatic as any mill can be. A system of conveyors, run by water power, picked up the grain, carried it through all the grinding operations and delivered the finished flour. But when an auto manufacturer in Detroit builds a plant which handles engine blocks in exactly the same manner, we think it's something new, and it worries us.

Nowadays, too, we marvel at the modern business machine which writes checks and keeps records through the use of punch-cards. And on our production lines are other wonderful machines which are automatically controlled by a punched paper tape. But is this really new? Not at all.

More than 150 years ago, a Frenchman named Jacquard built an automatic loom which wove all kinds of complicated patterns in accordance with instructions that were also punched in paper.

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So let's face it. This thing called automation is simply evolution — not revolution. It is only another little step in the slow and plodding progress of man towards a richer fuller life and a better freer world.

SUPPOSE WE THINK for a moment of the three outstanding examples of automation that we have seen in our lifetime:

The first one that comes to mind, probably, is the dial telephone. We would naturally assume that it must have thrown thousands of telephone operators out of work; and some of the current propaganda on the subject would seem to confirm that assumption completely. But what are the facts?

Between 1940 and 1950, the number of telephone operators in this country increased by 159,000 — or 79 percent!

Next we come to business machines and these fabulous new electronic brains that we've seen on television. Surely we don't need accountants any more. But still the census shows that the number of accountants and auditors increased 71 percent in this same ten-year period.

And how about these so-called automatic factories in Detroit, where the word "automation" was thought up? Are the automobile workers losing out? Not by a long shot. Their number doubled in fourteen years. Automobile mechanics and repairmen have increased 75 percent. And for every new job in the auto industry, five new jobs are created in allied fields which supply the raw materials and components that go into the manufacture and equipment of new cars.

But this, of course, is not always the case in every industry and every occupation. Dislocations do occur in some instances, and men do have to change from one job to another. That has been true in farming for nearly forty years. Moreover with the falling demand for coal, employment in the mines has also dropped off substantially, and there is recent evidence of a mild decline in oil refining.

Where are these men to go? Has "automation" made it tougher for them? Look at the picture as a whole. Just what really has happened in the last fifteen years or so — say from 1939 through 1953?

During this period the population of the United States has increased 22 percent. But the total number of jobs has grown by 35 percent — or more than half again as much. In the field of manufacturing itself — where automation has advanced most rapidly — employment has gone up 73 percent, or more than three times as fast as the population.

This rapid increase in employment has occurred because of mechanization — not in spite of it! The building of machines themselves — plus their installation, maintenance and the construction of new factories to house them — has opened up thousands of job opportunities that never existed before.

Employment in the field of electrical machinery, for example, has more than trebled during this period. In other machinery it has increased by 150 percent.

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In the specialized field of automation itself, the mere manufacture of the necessary instruments of measurement and control has mushroomed into a 3-billion-dollar business which already employs as many men as the auto industry did in the middle 1930's.

BUT THAT is only the beginning. As mechanization has enlarged the output and the purchasing power of our people, it has also multiplied enormously their demand for services. So they, in their turn, employ more doctors and dentists, more engineers and scientists and more teachers and clergymen. They send out more of their laundry, and they eat more often in restaurants. Even the fact that they have more leisure time has created more jobs for others. Employment in tourist courts and camps has more than tripled. Theatres, movies, amusement parks and similar establishments provide 75 percent more jobs than formerly. The purchase of books has doubled, and expenditures for home music have trebled. And so it goes. Employment in the service industries alone has risen by more than 2 million during these 14 years. That is a jump of 65 percent.

The same thing has happened, too, in the general field of trade. As the volume of production has increased, it has taken more workers to sell and to handle these goods. Thus, 6 million new jobs have been opened up by the growing employment demands of department stores, shops, offices, builders, bankers, utilities, bus lines, trucking companies and others in this category.

Finally, of course, our advance in technology has created whole new industries and vast new fields of opportunity, in television, antibiotics, airconditioning, many new branches of electronics, and now, in atomic energy — just to mention a few. So with each passing year, and with every new invention, our people have a wider choice of jobs; and today, it is reported that there are more than 40 thousand different ways whereby Americans can earn a living!

But suppose, for example, that all technological progress in the auto industry had stopped back in 1908, and that we were to try to build a 1955 car, at today's wages, with the tools and machines we used then. Such a car, if it could be produced at all, would cost well in excess of $65,000.

How many cars would there be on the road? And how many roads would we have? How many jobs would there be in Detroit, and in the oil fields, and the tire-making industry — or even in our steel mills for that matter? Why, millions of our workers would be idle, and America would rank among the so-called backward nations of the world.

The time has come to nail this propaganda for the fraud that it is. The facts show that only through the widest possible use of new and better machines can we hope to achieve the fullest measure of employment and a higher standard of living.

While we are at this business of nailing, let's tackle another dangerous deception that the busy propagandists are perpetrating these days: that is the charge that the greedy owners of industry have grabbed the lion's share of the fruits of technology, while the workers have been robbed of the rightful rewards of their mounting, mechanized production.

Fortunately, the facts are readily available in a study made by Allen W. Rucker, published by the Eddy-Rucker-Nickels Company, Cambridge, Massachusetts. This study

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covers the 33-year period from 1914 to 1947 and is based entirely on the United States Census of Manufacturers and other official Government reports. I do not suppose that anyone will challenge the authenticity of the facts which he presents. This is what they show:

On a man-hour basis, over this entire period, the output of the workers and machines, in American manufacturing as a whole, increased by 161 percent; the real wages of the men, measured in terms of purchasing power, increased 157 percent; the relative prices of manufactured products, measured in terms of hourly wages, declined 61 percent.

The real wages of the worker have advanced "at almost exactly the same rate as the improvement in productivity." Under the American system of manufacturing, the advance in such wages "depends wholly upon advances in productivity." The report concludes that the manufacturing industry on the whole has passed on to its customers and employees "virtually all the 'savings' from increased productivity" — that rarely, and only temporarily, have the owners retained any gains whatever from this source.

To support Mr. Rucker's statements, I call attention to one additional fact which is not contained in his report: back in 1914, the share of the national income which went to the owners of business in the form of dividends was about 6 percent; but in 1947, their share amounted only to about 3 percent. So over this 33-year period, the owners who put up the money for all the machines that made increased production possible found that their slice of our total economic pie had been cut approximately in half.

It may well be asked, of course, why industry continues to spend billions of dollars upon the development and purchase of improved machines if its owners receive no direct gains from these expenditures. And the answer to that, as we know, is all bound up in one simple and compelling word: "competition."

When a business in America fails to keep its plants modern, and thus allows its more efficient competitors to undersell its products in the market place, that business is on the way out. Unless it can recover its lost ground quickly, it is through. The money that its owners have invested in it will be largely wiped out — and so, of course, will the jobs of all its employees. Thereafter, in a very important sense, technological improvement is simply the process by which we protect, not only the investment of the owners, but also the job security of every industrial worker.

I conclude my argument with a quotation from Philip Murray, President of the CIO. Standing before a convention of the CIO, not long before his unfortunate death, he said:

"I do not know of a single, solitary instance where a great technological gain has taken place in the United States of America that it has actually thrown people out of work. I do not know of it — I am not aware of it — because the industrial revolution that has taken place in the United States in the past 25 years has brought into the employment field an additional 20 million people."

Mr. Fairless is Chairman of the Board of the United States Steel Corporation.

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